

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

Civil No. 1:25-cv-00008

vs.

\$28,180.05 from Ally Bank spending account
ending 8886 held in the name of Yael Sanchez,

Defendant Property.

VERIFIED COMPLAINT FOR FORFEITURE IN REM

NOW COMES Plaintiff, United States of America, by and through its attorneys, Mark A. Totten, United States Attorney for the Western District of Michigan, and Daniel T. McGraw, Assistant United States Attorney, and states upon information and belief that:

NATURE OF THE ACTION

1. This is a civil forfeiture action filed pursuant to 18 U.S.C. § 981(a)(1)(C) and Supplemental Rule G(2) of the Federal Rules of Civil Procedure to forfeit and condemn to the use and benefit of the United States of America \$28,180.05 from Ally Bank spending account ending 8886 held in the name of Yael Sanchez (the “Defendant Property”).

THE DEFENDANT IN REM

2. The Defendant Property consists of \$28,180.05 that was seized on or about August 9, 2024 by the United States Postal Inspection Service (USPIS). The

Defendant Property is currently in the custody of USPIS.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 1345 and 1355(b)(1)(A), because this action is being commenced by the United States of America as Plaintiff, and the acts giving rise to the basis for forfeiture occurred in this judicial district.

4. Venue is proper before this Court pursuant to 28 U.S.C. § 1355(b)(1) because the acts or omissions giving rise to forfeiture occurred in this judicial district, and/or pursuant to 28 U.S.C. § 1395(b), because the Defendant Property was found within this judicial district.

BASIS FOR FORFEITURE

5. As set forth below, the Defendant Property is subject to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) because it constitutes (1) any property, real or personal, which constitutes or is derived from proceeds traceable to wire fraud, in violation of 18 U.S.C. § 1343, and conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349; and (2) any property, real or personal, which constitutes or is derived from proceeds traceable to the sale of counterfeit postage, in violation of 18 U.S.C. § 501.

FACTS SUPPORTING FORFEITURE

6. In July 2023, U.S. Postal Inspectors in this judicial district received a referral from within the United States Postal Service (USPS) that a large volume of USPS parcels were being mailed from post offices in Holland and Zeeland, Michigan

that contained counterfeit USPS ePostage.

7. USPS ePostage is an electronic-payment option created by USPS to accommodate the significant growth of e-commerce. This payment method allows small merchants selling goods through an online marketplace to buy postage through their marketplace account, then print the labels and mail their packages. Once the merchant buys the postage, USPS receives payment for numerous postage purchases through one central retailer account instead of receiving payment from each individual purchaser of postage, thereby streamlining the payment process and reducing costs.

8. In late July 2023, Postal Inspectors interviewed an individual (“the cooperating witness or CW”) who had sent a parcel with counterfeit USPS ePostage. CW stated they purchased the counterfeit postage from Discord on a server called “Blitz Labels” (the “Blitz Labels Discord Server”) using Venmo.

9. Discord is a messaging platform where millions of users from around the world connect with each other through chat, voice, and video. Discord has both a desktop application (PC, Mac, Linux), and a mobile application (iOS, Android). The service can also be accessed directly from the website www.discordapp.com. According to Discord, a “server” is “an invite-only home for your friends or community,” analogous to a “group” or “channel” on other social media applications.

10. CW sent a Postal Inspector an invitation link to join the Blitz Labels Discord Server.

11. In August 2023, the Postal Inspector joined the Blitz Labels Discord

Server in an undercover capacity. By reviewing the Blitz Labels Discord Server and its multiple channels, the Postal Inspector determined that Yael Sanchez was the owner, using the moniker “Blitzsznn.”

12. The Blitz Labels Discord Server was created on May 1, 2023, and offered USPS shipping labels for sale at a price that was significantly less than what a USPS customer would pay for the same postage at a post office. For example, the Blitz Labels Discord Server offered a USPS Priority Mail Express label for a parcel weighing over five pound and up to 70 pounds for \$12. It would cost anywhere between \$31.10 to \$107.55 to send the same five-pound parcel, and anywhere between \$206.65 and \$688.20 to send the same 70-pound parcel at a post office, depending on precise weight and distance.

13. The Postal Inspector saw many messages on the Blitz Labels Discord Server that suggested the participants knew they were purchasing counterfeit postage. For example, on June 8, 2023, Discord user “Vanos” said, “Damn near every tracking reading counterfeit.” And when another user asked, “is it fake labels?” the owner, “Blitzsznn,” responded, “non legit.”

14. The Blitz Labels Discord Server also used a “bot” to handle processing of its orders and payments through CashApp at \$Blitzlabels, Venmo at @Blitzlabels, and Bitcoin. A channel on the server titled “Instructions” stated: “The bot makes a special code that you will need to add in the notes. Putting this code is very important as this is how the bot detects the payment and adds credits to the balance. Please copy-paste to avoid any errors.” When the undercover Postal Inspector purchased

credits, the bot provided him with the six-character code “EPIXYM.”

15. Between October 2023 and March 2024, while located in this judicial district, the undercover Postal Inspector conducted five undercover purchases of counterfeit postage through the Blitz Labels Discord Server. Specifically:

- a. On October 20, 2023, the undercover Postal Inspector bought nine shipping labels for \$100 worth of USPS-issued Bitcoin, which was sent to a Bitcoin address provided by the server bot. Each label included the same return address in Grand Rapids, Michigan, and destination address in Scottsdale, Arizona. The postage price was significantly less than what USPS would normally charge for the same postage. For example, the undercover Postal Inspector paid \$12 for a 17-pound USPS Priority Mail Express parcel that would cost \$151.70 if purchased directly from USPS at a post office.
- b. On November 3, 2023, the undercover Postal Inspector bought a 60-pound USPS Priority Mail parcel shipping label with a return address in Grand Rapids, Michigan, and a destination address in Phoenix, Arizona for \$6. The same postage would cost \$151.60 if purchased directly from USPS at a post office. The Postal Inspector also bought \$50 worth of additional credits through @Blitzlabels via Venmo, and was provided with the code “WHXWJV,” which was included on the payment.
- c. On December 1, 2023, the undercover Postal Inspector bought a 20-pound USPS Priority Mail parcel shipping label with a return address

in Grand Rapids, Michigan, and a destination address in Miami, Florida for \$6 (6 credits). The same postage would cost \$53 if purchased from USPS at a post office. The Postal Inspector also bought \$35 worth of additional credits through \$Blitzlabelzz via CashApp, and was provided with the code “GOWOIY,” which was included on the payment.

- d. On December 28, 2023, the undercover Postal Inspector bought a 10-pound USPS Priority Mail Express parcel shipping label with a return address in Grand Rapids, Michigan, and a destination address in Miami, Florida for \$12 (12 credits). The same postage would cost \$112.30 if purchased from USPS at a post office.
- e. On March 25, 2024, the undercover Postal Inspector purchased 25 credits by sending \$12.50 to @Blitzlabels via Venmo and \$12.50 to \$Blitzlabelzz via CashApp. For each transfer, the bot provided the Postal Inspector with a six-digit code. Following the transfers, 25 credits were added to the undercover account, and the Postal Inspector bought a 5-pound Priority Mail Express parcel shipping label with a return address in Grand Rapids, Michigan, and destination address in Casper, Wyoming, for \$9 (9 credits). The same postage would cost \$76.90 if purchased from USPS at a post office.

16. According to USPS, a mail identifier (MID) is a unique sequence of numbers given to a USPS customer who requests one. The MID is included in the tracking number and barcode of each mail piece that is used to identify the MID

accountholder. A MID accountholder is typically a business who uses USPS to mail a high volume of items. A USPS customer uses a MID to track their mailings and obtain detailed scan data regarding their mailings.

17. According to USPS, the nine labels purchased by the undercover Postal Inspector on October 30, 2023 belonged to three different MID accountholders. The MID on each label was used by someone else other than the true MID accountholder without their or USPS permission.

18. An MID accountholder is expected to provide the USPS with a shipping manifest of the items they intend to mail and prepay the postage. During USPS processing of the mail, USPS will confirm whether the mail is listed on the manifest and that the postage was paid for. If USPS finds the mail is unmanifested (not paid for or has unpaid postage), then USPS will send an invoice to the MID accountholder for the unpaid postage in addition to an extra fee.

19. When USPS determines that an MID is “hijacked” (unauthorized use), USPS sustains all financial loss with the unpaid postage and does not charge the MID accountholder for parcels mailed with a hijacked MID.

20. On April 16, 2024, Postal Inspectors executed a federal search warrant at the residence of the owner of the Blitz Labels Discord Server, Yael Sanchez, in the Northern District of California.

21. During a post-*Miranda* interview, Sanchez admitted that he owned and ran the Blitz Labels Discord Server, which sold counterfeit and unauthorized USPS postage. Sanchez stated that he used Venmo and CashApp to receive payments from

his customers on the Blitz Labels Discord Server in exchange for counterfeit USPS postage.

22. Sanchez told the Postal Inspector that he used a bot to track gross revenue data from the Blitz Labels Discord Server. The bot produced a report that showed as of April 16, 2024, the Blitz Labels Discord Server had sold 620,490 counterfeit USPS shipping labels and produced \$1,856,126.55 in gross revenue.

23. Sanchez also stated that he used Ally Bank account ending 8886 to receive and send proceeds obtained by selling counterfeit postage through the Blitz Labels Discord Server.

24. According to records the Postal Inspector received and reviewed from Ally Bank, account ending 8886 held in Sanchez's name was opened on December 3, 2023. Between January 23, 2024 and April 17, 2024, the account ending 8886 received 12 deposits from CashApp totaling \$275,000, before subsequently being transferred via PayPal in smaller amounts to unidentified accounts. As of May 23, 2024, the account ending 8886 had a balance of \$28,162.32.

25. Based on the Postal Inspector's review of records for Ally Bank account ending 8886, it was not used for any other purpose than to funnel proceeds from the sale of counterfeit postage on the Blitz Labels Discord Server.

26. On August 9, 2024, USPIS served a federal seizure warrant issued by the U.S. District Court for the Western District of Michigan (1:24-mj-323-RK) on Ally Bank for \$275,000 from Ally Bank spending account ending 8886, owned by Yael

Sanchez, and seized \$28,180.05, which was the amount that remained in the account at the time of seizure (“the Defendant Property”).

27. Upon information and belief, the Defendant Property constitutes any property, real or personal, which constitutes or is derived from proceeds traceable to wire fraud, in violation of 18 U.S.C. § 1343, and conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349, and any property, real or personal, which constitutes or is derived from proceeds traceable to the sale of counterfeit postage, in violation of 18 U.S.C. § 501.

CLAIM I

28. Plaintiff hereby re-alleges paragraphs 1 – 27, as referenced above.

29. The Defendant Property is forfeitable to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) because it constitutes any property, real or personal, which constitutes or is derived from proceeds traceable to wire fraud, in violation of 18 U.S.C. § 1343, and conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349.

CLAIM II

30. Plaintiff hereby re-alleges paragraphs 1 – 27, as referenced above.

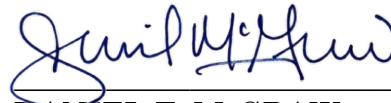
31. The Defendant Currency is forfeitable to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) because it constitutes any property, real or personal, which constitutes or is derived from proceeds traceable to the sale of counterfeit postage, in violation of 18 U.S.C. § 501.

REQUESTED RELIEF

Wherefore, the United States requests that the Court issue a warrant for the arrest of the Defendant Property; that due notice be given to all interested parties to appear and show cause why forfeiture to the United States of America should not be decreed; and that the Defendant Property be condemned and forfeited to the United States of America and be delivered into the custody of the United States Postal Inspection Service or the United States Marshals Service for disposition according to law; and for such other relief as this Court may deem just and proper.

MARK A. TOTTEN
United States Attorney

Dated: January 3, 2025



DANIEL T. MCGRAW
Assistant United States Attorney
P.O. Box 208
Grand Rapids, MI 49501-0208
(616) 456-2404

VERIFICATION

I am a Postal Inspector with the United States Postal Inspection Service with personal involvement in this investigation.

I have read the contents of the foregoing Verified Complaint for Forfeiture In Rem, and the statements contained therein are true to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: January 3, 2025



MATTHEW MARKOWSKI
Postal Inspector
United States Postal Inspection Service